

# Terms of Reference (TOR) for Fiduciary Assurance Services

## Background

Sindh Resilience Project (SRP) is a project of Provincial Disaster Management Authority, Government of Sindh, created for the purpose of achieving resilience against natural disaster leading to sustained growth and poverty reduction.

The project aims to strengthen the capacity of Sindh provincial systems to effectively respond to emergencies and/or disasters by building capacities at provincial, divisional and district levels which will contribute to advance service delivery of public institutions.

The Project has been financed primarily by the World Bank for the period until August 2024 for which a loan has been offered. Government of Sindh has also contributed its share for the project.

## Objective of the Service

The objective of the consulting services ("the Services") is to mitigate fiduciary risks associated with Project activities and to strengthen internal control process. SRP (PDMA) requires the services of a Chartered Accountant Firm ("the firm") to evaluate and improve the efficiency and effectiveness of the Project's risk management, internal control and governance processes through conducting periodic Internal Audit ("audit") of activities, systems and transactions.

## Scope of the Service

The firm will perform following (but not limited to) services

1. The audit will be carried out in accordance with the International Auditing Standards.
2. Verify all funds have been used in accordance with the established rules and regulations of World Bank ("WB") and only for the purposes for which the funds were provided.
3. Goods, works and services financed have been procured in accordance with the WB established rules and procedures.
4. Appropriate supporting documents, records and books of accounts relating to all activities have been kept.
5. Comprehensive assessment of the adequacy and effectiveness of overall internal control system to monitor expenditures and other financial transactions in line with WB guidelines and GOP/GOS (Government of Pakistan/ Sindh) rules and regulations (as the case may be)
6. Include in their reports opinion on compliance with procedures designed to provide reasonable assurance of detecting misstatements due to errors or fraud that are material
7. Conduct meeting with the Project Director of SRP at regular intervals to:
  - a) Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
  - b) Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement.
  - c) Report on the implementation status of recommendations pertaining to previous period audit reports.

- d) Bring to the Project Director's attention any other matters that the auditors consider pertinent

### **Duration of Audit**

The audit work shall be carried out through the term of the project and the firm will maintain a small team of internal auditors for conducting routine compliance review (preferably monthly or at least quarterly) at the project office

### **Qualification / Experience of the Firm**

1. The audit firms based in Pakistan having affiliation/membership with reputed National/International Firms and included
2. The audit firm shall have highly qualified professional team with expertise in the area of internal audit
3. The audit firm should not be in World Bank debarred list.
4. Experience of providing services in similar nature & size of at least two (2) contracts. The firm must provide the documentary evidence of the assignments carried out.
5. The firm should have adequate logistical capacity as evidenced through established functioning offices

### **Selection of the Firm:**

The Consultant will be selected in accordance with the Consultant's Qualification Selection (CQS) Method set out in the Procurement Regulations of WB.

### **Audit Fees:**

The audit fees will be fixed through a competitive bidding process.